

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6347

BILL NUMBER: HB 1031

NOTE PREPARED: Nov 27, 2005

BILL AMENDED:

SUBJECT: Small Business Set-Aside Purchases.

FIRST AUTHOR: Rep. Reske

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a business in specified sectors does not qualify as a small business for purposes of government set-aside purchases if the business employs more than 100 persons or its annual sales exceed \$5.0 M.

Effective Date: July 1, 2006.

Explanation of State Expenditures: Current law requires the Indiana Department of Administration (IDOA) to adopt rules concerning small business set-aside purchases. IDOA could incur minimal costs to adopt rules defining a small business in the information technology, life sciences, transportation, or logistics sectors as a business with fewer than 100 employees and annual sales of less than \$5.0 M.

Explanation of State Revenues:

Explanation of Local Expenditures: Current law permits governmental bodies, including the bodies of political subdivisions, to establish criteria for determining small businesses. The rules adopted by a governmental body must include specific criteria in the wholesale, construction, retail, and manufacturing sectors. Governmental bodies could incur costs for adding the criteria for businesses in the information technology, life sciences, transportation, or logistics sectors.

Explanation of Local Revenues:

State Agencies Affected: Department of Administration.

Local Agencies Affected: Political subdivisions.

Information Sources:

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